

DEPARTMENTAL BUDGET INFORMATION

WATER (41)

STATEMENT OF PURPOSE

The Water Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Detroit Water and Sewerage Department (DWSD) will exceed our customer's expectations through innovative treatment and transmission of water and wastewater that promote healthy communities and economic growth.

DESCRIPTION

The Water Supply System is administratively part of the Detroit Water and Sewerage Department while maintained as a separate fund in the City of Detroit's accounting system. The department operates five water treatment plants and twenty-one booster (repumping) stations and twenty reservoirs. Of these five water plants, two plants are located in Detroit and one each is located in Allen Park, Dearborn and Port Huron. There are three sources of raw water supply -- Detroit River at Fighting Island, Detroit River at Belle Isle and Lake Huron north of Port Huron. DWSD's five water treatment plants pump an average of 675 million gallons of clean drinking water each day.

The Water Supply System's primary role is to provide potable water for over 4 million residents in Southeastern Michigan, delivered at various points in the system at adequate pressure to meet our customers' needs. The water provided is in conformance to applicable standards as required by Michigan's Safe Drinking Water Act. The department furnishes sufficient

water pressure and pipeline service to assure acceptable fire protection.

The water system serves a total population of nearly 4 million people in Detroit and in 125 other communities within a 1,011 square mile service area in southeastern Michigan. The main administrative offices are located at 735 Randolph in downtown Detroit. Approximately 3,400 miles of transmission and distribution mains within the City of Detroit, and 790 miles of transmission lines in the remaining service area are owned and maintained by the department.

MAJOR INITIATIVES FOR FY 2005-2006 and FY 2006-07

New Environmental Protection Agency (EPA) drinking water regulations will become effective in July 2006. The regulations will require considerably more testing of the raw water supply for microorganism such as cryptosporidium, and chemicals in the finished drinking water throughout the distribution system. The Water Quality group has anticipated and is prepared to comply with these new regulations.

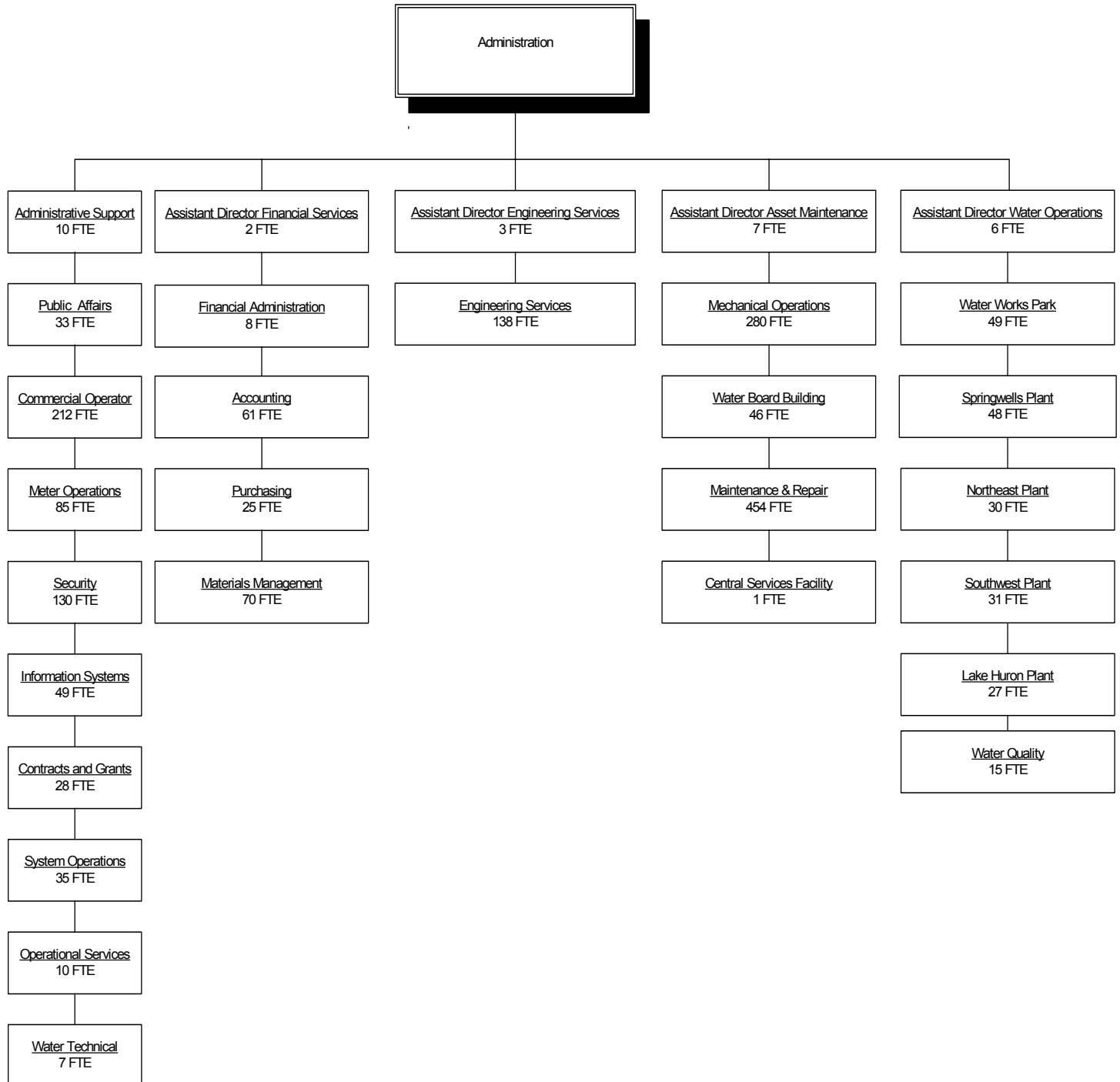
**PLANNING FOR THE FUTURE
FY 2006-07, FY 2007-08 and BEYOND**
Upgrade the Customer Billing Management System to version 3.0 of the enQuesta Software.

When the Water Meter Replacement and Fixed Automatic Meter Reading Equipment Installation Contract (CM-2007) are approved, the Meter Operations Division will have all non-functioning and outdated water meters replaced within the City of Detroit.

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The replacement of the water meters will increase overall meter accuracy and greatly reduce meter maintenance cost over the next ten (10) years. The Fixed Network Reading System will allow DWSD to collect

daily/hourly reads from every meter for consumption analysis.



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PERFORMANCE MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2004-05 Actual	2005-06 Projection	2006-07 Target
Inputs: Resources Allocated or Service Demands Made			
Total hydrants in system	30,430	30,430	30,430
Number of water capital projects	168	114	114
Value of projects	198,495,000	199,823,000	259,783,000
Outputs: Units of Activity directed toward Goals			
Populations served – city	1 million	900,000	900,000
Populations served – suburban	3.3 million	3.3 million	3.3 million
Main leaks and breaks repaired	1,150	1,150	1,000
Fire hydrants repaired or replaced	1,500	1,200	1,100

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EXPENDITURES

	2004-05		2005-06	2006-07		
	Actual		2005-06	Mayor's	Variance	Variance
	Expense		Redbook	Budget Rec		Percent
Salary & Wages	\$ 52,661,950	\$	44,105,635	\$ 49,289,459	5,183,824	12%
Employee Benefits	24,874,178		25,562,284	25,866,794	(695,490)	-3%
Prof/Contractual	143,014,995		28,876,660	26,836,818	(2,039,842)	-7%
Operating Supplies	9,552,196		12,754,123	14,260,950	1,506,827	12%
Operating Services	40,401,346		46,316,590	45,877,671	(438,919)	-1%
Capital Equipment	2,560,381		7,511,000	7,511,000	-	0%
Capital Outlays	11,701		47,164	47,164	-	0%
Fixed Charges	91,924,546		109,842,800	116,507,564	6,664,764	6%
Other Expenses	(13,192,495)		27,255,780	425,700,516	398,444,736	1462%
TOTAL	\$ 351,808,798	\$	302,272,036	\$ 711,897,936	\$ 408,625,900	135%
POSITIONS	1,589		1,916	1,900	(16)	-1%

REVENUES

	2004-05		2005-06	2006-07		
	Actual		2005-06	Mayor's	Variance	Variance
	Revenue		Redbook	Budget Rec		Percent
Fines/Forfeits/Penalties	\$ 6,938,881	\$	-	\$ -	\$ -	0%
Rev from Use of Assets	6,426,636		13,718,100	13,051,400	\$ (666,700)	-5%
Sales & Charges	270,407,044		289,183,383	298,075,688	\$ 8,892,305	3%
Sales of Assets	173,631		-	-	\$ -	0%
Contribution/Tran	-		-	-	\$ -	0%
Miscellaneous	24,049		370,553	400,770,848	\$ 400,400,295	108055%
TOTAL	\$ 283,970,241	\$	303,272,036	\$ 711,897,936	\$ 408,625,900	135%